



Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

July 12, 2000

In reply refer to: T-Ditt-2

To Interested Parties and Transmission Customers:

The Bonneville Power Administration (BPA) will be holding a public meeting Wednesday, August 9 to discuss third-party or joint ownership for new fiber-optic projects. The meeting is scheduled for 1 p.m. to 3 p.m. at BPA's Ross Complex, DOB 1, 5411 NE Highway 99, Vancouver, WA. If you would like to attend, please complete and return the enclosed reply card today.

The August 9 public meeting is a result of the fiber-optics report developed jointly by BPA and other power marketing administrations. The report was submitted to Congress on May 24. The report talks about why BPA has a fiber-optic communications system. BPA uses fiber-optics to upgrade its communication and control system to better operate the grid now and in the future. As scheduling and operating the grid becomes more complicated in a data-intensive, deregulated world, fiber optics are becoming more essential for safe and reliable operations. BPA also leases fibers that are in excess of current operational needs and uses those funds to offset the costs of other capital projects; thus, lowering the rates charged transmission customers. BPA's fiber program and its funding for fiscal years 2002-3 were part of a program level review that closed July 7. For more on the review, view the web site at http://www.transmission.bpa.gov/tblib/newsevents/reli_future.htm

The report describes another possibility: Encouraging third-party or joint ownership through limited competition for new fiber-optics projects in cases where it meets the agency's safety and reliability requirements and is the least cost alternative. This is the focus of the August 9 public meeting.

Enclosed you will find an *Issue Paper* with more information about the August 9 workshop. In brief, it describes the rules governing the transmission grid and its use. The workshop will go into more detail about these ground rules and opportunities for third-party or joint ownership for new fiber-optic projects on BPA's rights of way. Handouts for the meeting will be posted under "Fiber Optics/Third Party Participation" under the News and Events on the TBL website (<http://www.transmission.bpa.gov>).

If you have any questions, please contact your Transmission Account Executive, or Mike Hansen at (503) 230-4328/e-mail mshansen@bpa.gov.

Sincerely,

/s/ Charles E. Meyer

Charles E. Meyer, Vice President
Transmission Marketing & Sales